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## Summary Report Burleigh West Leisure Park Charrette, Gold Coast, Queensland

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Summary Report

BURLEIGH WEST LEISURE PARK  
CHARRETTE  
Gold Coast, Queensland

Prepared for

MAINSEL INVESTMENTS PTY. LTD.  
April 1988

Prepared by

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## Section 1

### INTRODUCTION

Mainsel Investments Pty. Ltd., a real estate investment and development firm based in Queensland, Australia, has proposed the development of a major leisure park attraction on property owned by the company in the Burleigh West area of Queensland's famous Gold Coast resort district. The leisure park site adjoins an existing regional shopping center, which Mainsel is now substantially expanding and upgrading. Once reconfigured, the shopping complex will contain some 90,000 square meters of leasable area blending conventional retailing (department stores, supermarkets, and discount stores) with a sizable increment of specialty retail space and a large farmers' market, thus broadening its appeal and encouraging patronage not only by local residents, but also by the several million tourists drawn to the Gold Coast each year. The proposed leisure park is intended as a complementary and synergistic attraction that would provide added incentive for tourist patronage and increase the overall "critical mass" of the project.

To assist in defining an optimum content and scope for the leisure park component, Mainsel Investments retained Harrison Price Company to conduct a charrette, or "storyboard" conference, to establish preliminary conceptual and economic guidelines for the project. This charrette, held in Los Angeles on March 2 and 3, 1988, brought together several experts in various aspects of recreational development for a free exchange of ideas based on market conditions in the Gold Coast area, the experience of comparable attractions, and the characteristics of the Burleigh West site. Conference participants were as follows:

John Minuzzo  
Director  
Mainsel Investments Pty. Ltd.  
(client firm)

Harrison A. Price  
Chairman  
Harrison Price Company  
(consulting economists)

Sharon J. Dalrymple  
Vice President  
Harrison Price Company  
(consulting economists)

Graham Ellwood  
Partner  
Peddle Thorp & Harvey  
(architects/planners)

Nicholas S. Winslow  
President  
Harrison Price Company  
(consulting economists)

Richard J. Battaglia  
President  
Battaglia Associates  
(planners/designers)

Michael B. Demetrios  
President  
Marine World/Africa USA  
(major recreation attraction)

This report summarizes recommendations for Burleigh West as determined during the conference and presents selected background material on the Gold Coast market that was integral to the proceedings. Following this introduction, Section 2 briefly highlights the suggested project concept and its basic economic parameters. Section 3 contains an overview of key site and market characteristics, while Section 4 addresses important strategic issues, describes the alternative development scenarios discussed at the conference, and delineates the content the recommended concept together with attendance and financial planning guidelines.

Harrison Price Company wishes to express its appreciation for the insight and assistance contributed by charrette participants, with special thanks to John Minuzzo and his staff for logistical support in obtaining needed information on the Gold Coast market and attractions inventory during the field survey in Australia.



## **Section 2**

### **SUMMARY RECOMMENDATIONS**

Highlighted in this section are the summary recommendations of charrette participants relative to the concept and scope of the Burleigh West leisure park, together with preliminary estimates of attendance, physical capacity requirements, and general magnitude of supportable capital investment. A more detailed discussion of findings is contained in the body of the report; no attempt is made here to provide supporting rationale or a full description of project content.

#### **RECOMMENDED PROJECT CONCEPT**

It was the unanimous recommendation of the charrette group that a world-class Australian flora and fauna park represents the optimum development concept for the Burleigh West leisure park. An attraction of this type would be unique in the market area (if not in the world), would have a high degree of synergy with the regional shopping center at the site, is eminently suited to "soft" programming with extensive visitor participation, avoids direct competition with other attractions in the area, and offers a coherent, immediately recognizable image and identity that can be used to advantage in marketing and promotion programs. Specific content and facility recommendations encompass, and are not necessarily limited to, the following:

- Great Barrier Reef Aquarium
- High-Impact Film Theater
- Animal Show Arena
- General Purpose Amphitheater
- Ecology Theater
- Rainforest Pavilion/Tropical Bird Exhibit
- Natural History Pavilion
- Koala Habitat
- Kangaroo Exhibit
- Aviaries and Free-Flight Cage
- Platypus Exhibit



- Butterfly House
- Other Animal Habitats (fairy penguins, wombats, crocodiles, waterfowl, emus, dingoes, and so on)
- Animal Care Facilities (hospital, nursery, food preparation areas)
- Children's Play Center/Model Sheep Station
- Internal Monorail System
- Themed Restaurants/Nighttime Entertainment

Sophisticated exhibitry, lush landscaping, heavy theming, and a wealth of opportunities for direct visitor involvement and contact with the animals would be the hallmarks of the development.

## **ATTENDANCE AND PHYSICAL CAPACITY REQUIREMENTS**

A flora and fauna park of the general scope just described will be capable of having a major impact on the Gold Coast attractions market. A reasonable attendance planning target would be in the neighborhood of 1.4 million visitors annually, equivalent to a gross market capture rate of about 30 percent. The park should be designed to handle roughly 10,000 persons on the average peak day and, based on an expected average visitor length of stay in the range of five to six hours, should be able to accommodate some 6,600 persons at the busiest hour. The aggregate holding capacity of all shows, exhibits, and other entertainment activities should be targeted at roughly 1.5 units per peak-hour visitor, or 10,000 in total.

## **FINANCIAL PLANNING GUIDELINES**

Assuming gross visitor spending on admissions, food and beverages, merchandise, and miscellaneous of between A\$27 and A\$34 per capita (in constant 1988 dollars), total gross revenue would amount to between A\$38 and A\$48 million at the 1.4 million attendance level. In projects of this type, total operating expenses in the range of 70 to 80 percent of gross revenue may be anticipated, leaving a residual net operating profit (earnings before depreciation, interest, and taxes) of 20 to 30 percent of gross revenue. The ratio of net operating profit to total capital investment should be about 12 percent in a profitable venture capable of retiring debt, indicating an overall investment magnitude of some A\$80 to A\$100 million.

An illustrative breakdown of this total budget reveals that using mid-range planning factors, some A\$50 million would be available to create the core entertainment facilities at the site, with another A\$10 million estimated for themed restaurants, merchandise sales outlets, and various support facilities. The remainder of the budget

would be allocated for land, site improvements, parking, interim financing and design services, landscaping, water features, and decorative embellishments.

## **SUMMARY COMMENTS**

In the context of an appropriate capital investment level, a minority position discussed during the charrette was a project of significantly larger scale than the optimum concept recommended here. This expanded concept would retain the animal dimension, but involve substantially augmented content and theming, perhaps including certain rides and EPCOT-like attractions. A minimum investment of A\$120 million and appreciably greater risk would be associated with a park of this scale, the chief rationale for which would be to preempt area competition from matching the Burleigh West project in future expansion programs. The charrette group recommends against this more aggressive approach to leisure park development in light of the realities of the Gold Coast marketplace, and suggests instead a carefully phased program of future park enlargement and reinvestment that would insure sustained leadership in the regional market.

The potential to develop an outstanding animal-oriented attraction on the Gold Coast, taking full advantage of the color, wonder, touch, and other sensory experiences intrinsic to Australia's unique flora and fauna is an exciting proposition. The fact that an attraction of this type can be accomplished in an economically viable framework which avoids direct confrontation with existing attractions in the region should not be underestimated--other park concepts might prove successful, albeit at manifold risk, but it is the consensus opinion of the charrette group that a high-quality animal park represents the optimum development opportunity for Burleigh West.



## Section 3

### REVIEW OF SITE AND MARKET ENVIRONMENT

A necessary prerequisite to assessing the outlook for a major recreation attraction is a review of the attributes of the subject site, the size of the available resident and tourist markets, and the existing inventory of complementary and competitive attractions in the site vicinity. These factors are analyzed in this section of the report, incorporating material originally developed in a briefing document for purposes of the charrette.

#### LOCATIONAL AND SITE CHARACTERISTICS

As depicted in **Figure 1**, the Burleigh West site is located in the southeast corner of Queensland about 70 kilometers from Brisbane, largest city in the state and third largest in Australia. Straddling the boundary between Gold Coast City and Albert Shire, it lies at the southern edge of the famed Gold Coast resort district centered at Main Beach/Surfers Paradise some 10 kilometers to the north. Accessibility of the site is generally very good, with two major arterials--Pacific Highway and Gold Coast Highway--passing within a short distance, as indicated in **Figure 2**. While considerable traffic congestion is often experienced on these routes, several road improvement projects now underway or planned for the near future should ease conditions appreciably. In addition, a monorail system is currently under for selected Gold Coast traffic corridors which, if implemented, could substantially enhance access conditions. As to other modes of access, a major regional airport is located nearby at Coolangatta, which offers daily scheduled service to many points throughout Australia; total passenger volume through this airport in 1987 amounted to roughly 850,000 people, more than double the 321,000 recorded in 1977, for one of the fastest growth rates in the country. The nearest international airport is found in Brisbane, with regular express bus service available from there to the Gold Coast.

A number of complementary facilities are found in proximity to Burleigh West, including the sizable Gold Coast resort infrastructure (overnight accommodations, restaurants, shopping, and visitor services), Queensland's only casino, and a variety of other entertainment and recreational opportunities. The region's most outstanding asset is some 40 kilometers of white sand beach stretching from Southport on the north to Tweed Heads on the south (refer to Figure 1). Enjoyment of this superb natural resource is enabled virtually year-round by an amenable semi-tropical climate. Maximum temperatures during the height of the summer tourist season in December average 28°C, while minimums at this time of year average 19°C. During the winter month of June, average maximum and minimum temperatures are 21°C and 11°C, respectively. Rainfall totals some 1,200 millimeters on an annual basis, about 40 percent of which falls during the summer months. On average, however, the region experiences more than 280 days of sunny skies each year.

Approximately 47 hectares (117 acres) are available for leisure park development at the subject site. Potential acquisitions of adjacent properties could raise this total to 60 hectares or more if needed. Terrain at the site is a mixture of gently sloping meadow,



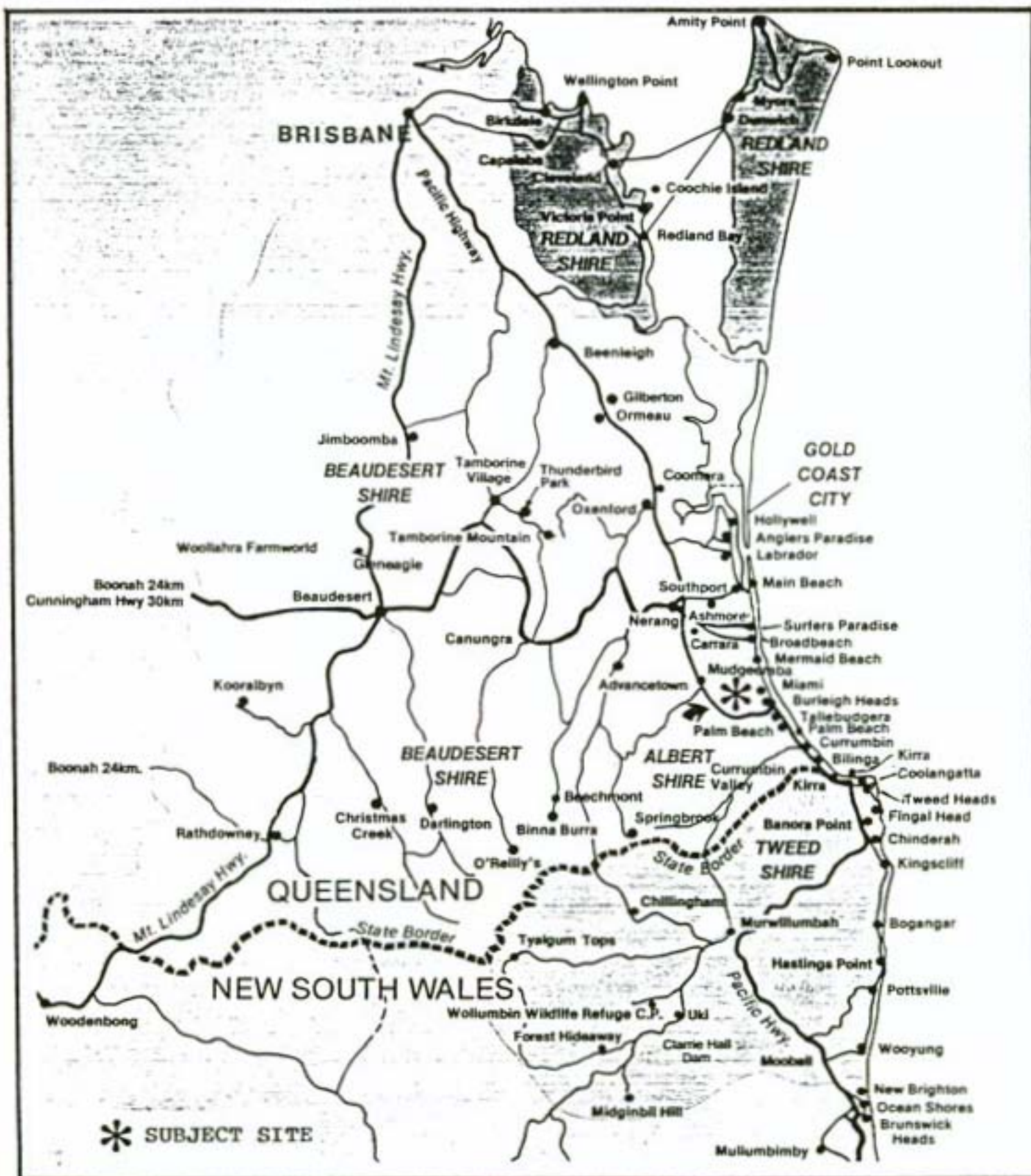


Figure 1

REGIONAL ORIENTATION MAP



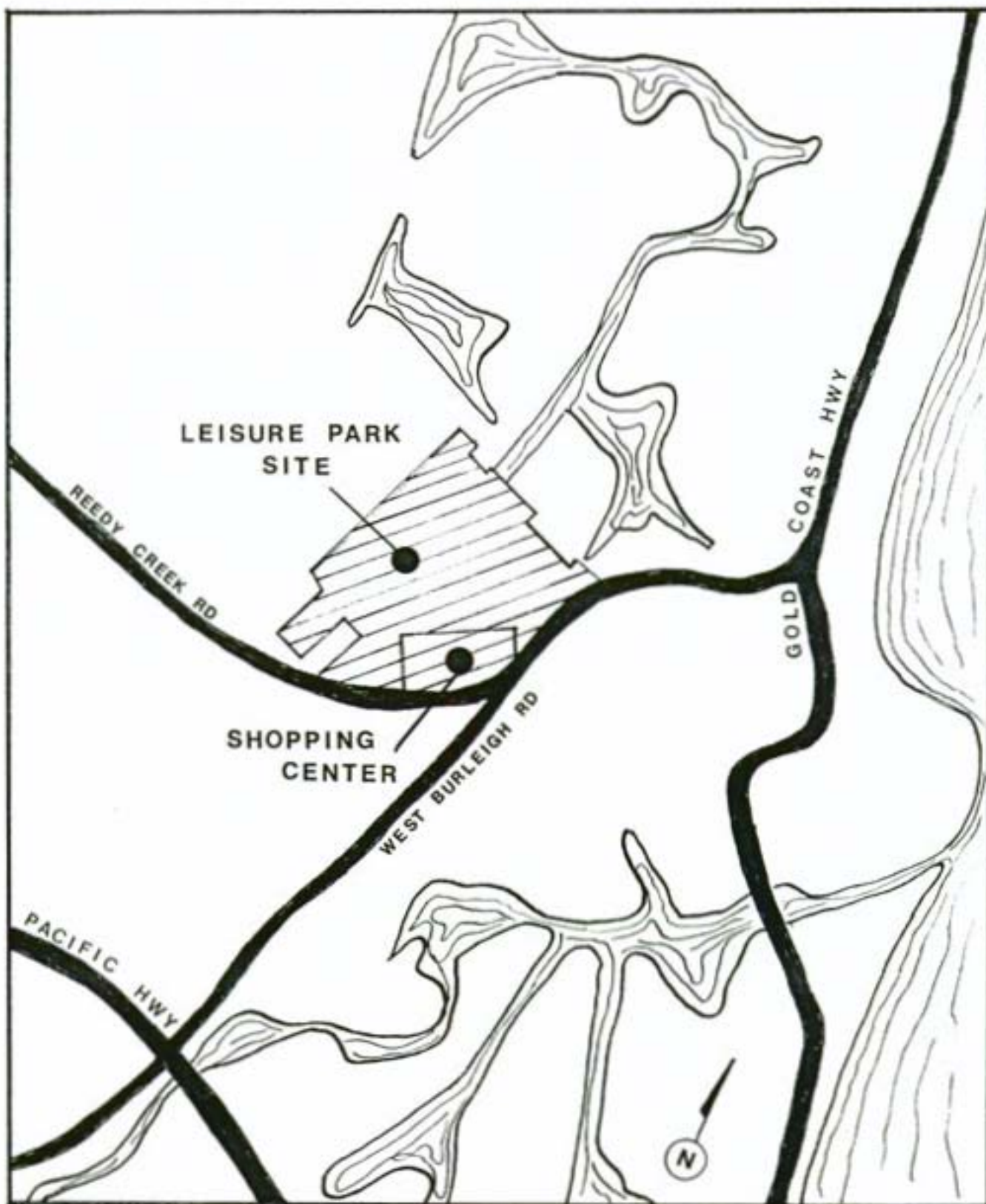


Figure 2  
BURLEIGH WEST SITE VICINITY

small hills, and flat land; however, the developer plans extensive earthwork on both the shopping center and leisure park parcels to maximize the amount of level land and to create landscaped buffers as necessary and appropriate. Much of the surrounding land is vacant or in agricultural use, interspersed with residential and commercial development. The only major incompatible use contiguous to the site is a 10-acre brickyard fronting Reedy Creek Road (refer to Figure 2), sandwiched between the shopping center and leisure park parcels. This property may be acquired by Mainsel; alternatively, effective buffering will be needed to shield the Burleigh West project from the noise and unsightly appearance of this industrial operation.

On the whole, the site environment for the proposed leisure park is considered excellent. Especially favorable are the assets of amenable year-round climate, good access, and proximity to a variety of complementary facilities ensuring regular exposure to visitor and resident populations.

## **AVAILABLE MARKET SUPPORT**

Equal to the site environment in importance for leisure park development is the size and quality of available market support as derived from both resident and tourist sources. The paragraphs to follow highlight the magnitude and characteristics of these two market segments.

### **Resident Market**

For purposes of this analysis, the local resident market available to Burleigh West has been defined as the populated coastal strip encompassing Gold Coast City and part of Albert Shire in Queensland and Tweed Heads in New South Wales. As shown in **Table 1**, this area had a combined population of approximately 220,000 as of 1986 and has been growing at the very high rate of more than 6 percent annually over the past ten years. About 60 percent of the current total is accounted for by Gold Coast City. Growth has been particularly rapid in Albert Shire, which has only recently begun to urbanize in a "spillover" response to burgeoning demand for permanent, reasonably priced housing that is now becoming scarce in Gold Coast City. For the market region as a whole, continued growth on the order of 5 to 6 percent per year has been forecast for the next decade by The Rider Hunt Group and other analysts, which will yield a total resident population of about 295,000 by 1990 and 375,000 by 1995. The Burleigh West site is well positioned in the center of this growth.

Considerable qualitative strength is also associated with the Gold Coast resident market. According to estimates by Retail Surveys Australia, average household income in the region amounted to some A\$26,700 annually as of 1985, some 9 percent higher than the A\$24,500 estimated for Brisbane in that year, as one point of reference. Median age on the Gold Coast is also somewhat higher than Brisbane, reported at 35 years versus Brisbane's 30 years, primarily due to the fairly sizable proportion of retirement-age inhabitants on the Gold Coast (about 30 percent of the total local population is over age 55, compared to slightly less than 20 percent in Brisbane).



Table 1  
GOLD COAST RESIDENT MARKET  
1976-1986

<u>Year</u>	<u>Statistical Division</u>			<u>Total</u>
	<u>Gold Coast City</u>	<u>Albert Shire (Part)</u>	<u>Tweed Heads</u>	
1976	92,054	16,301	13,190	121,545
1981	117,824	37,571	21,869	177,264
1986	130,304	63,079	26,075	219,458
 <u>Average Annual Rate of Increase</u>				
1976-1981	5.1%	18.2%	10.6%	7.8%
1981-1986	2.0	10.9	3.6	4.4
1976-1986	3.5	14.5	7.0	6.1

Source: Australian Bureau of Statistics and Harrison Price Company.

Although the resident population base is comparatively small, its dynamic nature and affluence have favorable implications for leisure park development. The relatively high age level, on the other hand, suggests that the park's entertainment content should include a generous allotment of passive, spectator-oriented elements (as opposed to "white knuckle" rides and other active recreation) in order to maximize support from this market segment.

### **Available Tourist Market**

Much larger and hence pivotal to the success of the Burleigh West leisure park is the regional tourist market. **Table 2** shows that total overnight visitation to the Gold Coast currently amounts to some 2.65 million people. Added to this are a substantial 5 million-plus day-visits, mostly weekend excursionist travel from the surrounding area destined for Gold Coast beaches and marinas. It should be noted that this figure represents visits as opposed to visitors--day-users make multiple trips to the Gold Coast in any given year and hence are counted several times in the annual total. The combined overnight and day-use market, as shown, amounts to about 7.85 million at the present time, up from slightly less than 7 million just two years ago.

A complete historical series on tourist visitation is available only for the commercial lodging segment of the market, where growth has averaged more than 14 percent per year over the past five years--a remarkable pace that illustrates the great appeal of the Gold Coast as a holiday destination. Currently, this region accounts for roughly 30 percent of all commercial lodging visitors in Queensland, as indicated in **Table 3**, followed distantly by its chief rival, the Sunshine Coast to the north, with about 11 percent of the total.

Continued strong growth is expected in the future. A recent report by The Boeing Company concerning tourism to Queensland through the end of the century reveals that the projected rate of increase in overnight visitation to the Gold Coast will amount to a minimum of between 4 and 5 percent annually through 1995. While well below rates experienced during the boom period of the past several years, gains of this magnitude are nevertheless substantial and may in fact prove conservative if minimum forecasts are exceeded (The Boeing Company's maximum forecasts call for increases twice as great). On the basis of a 4 to 5 percent yearly gain, overnight visitation to the region will rise to 3.1 million by 1990 and 3.7 million by 1995, as presented in **Table 4**. Allowing for modest growth in the day-use segment to about 5.5 million visits by 1990 and 5.9 million by 1995, the aggregate Gold Coast tourist market will amount to some 8.6 million by the end of the present decade, growing to 9.6 million by 1995.

**Table 5** contains a summary of key visitor characteristics. As indicated, nearly two-thirds of all tourists arrive via automobile and more than three-fourths state holiday or recreation as the main purpose of visit. Stay times average a healthy 5.8 nights (day-trippers are not included in this tabulation--overall length of stay would be substantially less with inclusion of the day-use contingent). The visitor population is both considerably younger, at a median age of just over 28 years, and considerably more affluent, at a median family income of A\$33,700 annually, than the resident market discussed previously. Visitation is quite evenly distributed throughout the year, with only mild peaks experienced during spring and summer quarters. While a monthly



Table 2

**RECENT TRENDS IN TOURISM TO THE GOLD COAST<sup>1</sup>**  
**1982-83 to 1986-87**  
**(thousands)**

	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
Visitors in Commercial Lodging By Origin Area <sup>2</sup>					
Queensland	380	360	520	730	820
Other Australia	660	730	660	750	910
Overseas	<u>80</u>	<u>90</u>	<u>80</u>	<u>160</u>	<u>190</u>
<b>Subtotal</b>	1,120	1,180	1,260	1,640	1,920
Add: Estimated Visitors in Private Accommodations	<u>na</u>	<u>na</u>	<u>940</u>	<u>790</u>	<u>730</u>
<b>Total Overnight</b>	na	na	2,200	2,430	2,650
Add: Day - Visitors <sup>3</sup>	<u>na</u>	<u>na</u>	<u>4,780</u>	<u>5,000E</u>	<u>5,200E</u>
<b>Grand Total</b>	na	na	6,980	7,430	7,850

<sup>1</sup> Excludes persons under age 14.

<sup>2</sup> Includes hotels/motels, registered flats and condominium units, and caravan parks.

<sup>3</sup> Excludes day-visitors originating within the Gold Coast region.

na means not available E means estimated.

Source: Queensland Tourist and Travel Corporation, Gold Coast Visitors and Convention Bureau, and Harrison Price Company.

Table 3  
DISTRIBUTION OF COMMERCIAL LODGING VISITORS  
IN QUEENSLAND  
1986-1987

<u>Destination Region</u>	<u>Number of Visitors<sup>1</sup> (thousands)</u>	<u>Percent of Total</u>
Gold Coast	1,920	29.2%
Sunshine Coast	750	11.4
Western Queensland	710	10.8
Brisbane/Ipswich	670	10.2
Cairns/Tablelands	620	9.5
Rockhampton/Gladstone	480	7.3
MacKay/Whitsunday	400	6.1
Maryborough/Bundaberg	390	5.9
Townsville/Bowen	370	5.6
Darling Downs	<u>260</u>	<u>4.0</u>
<b>Total</b>	<b>6,570</b>	<b>100.0%</b>

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<sup>1</sup> Excludes persons under age 14.

Source: Queensland tourist and Travel Corporation and Harrison Price Company.

Table 4

**PROJECTED GROWTH IN VISITATION  
TO THE GOLD COAST AREA  
1985-1995**

<u>Visitor Origin Area</u>	<u>Actual 1985</u>	<u>Projected<sup>1</sup></u>	
		<u>1990</u>	<u>1995</u>
Australia	2,270	2,800	3,300
Overseas	<u>160</u>	<u>300</u>	<u>400</u>
<b>Subtotal</b>	2,430	3,100	3,700
Add: Day-Visitors	<u>5,000</u>	<u>5,500</u>	<u>5,900</u>
<b>Total</b>	7,430	8,600	9,600

---

<sup>1</sup> Based on "minimum" forecast as developed in The Boeing Company report Tourism Potential in Queensland to the Year 2000, September 1986.

Source: Queensland Tourist and Travel Corporation, The Boeing Company, and Harrison Price Company.

Table 5

**SELECTED CHARACTERISTICS OF OVERNIGHT VISITORS TO  
THE GOLD COAST AREA  
1985-1986**

	<b>Percent or <u>Amount</u><sup>1</sup></b>
Mode of Transportation	
Auto	63%
Air	20
Bus and Other	17
Purpose of Trip	
Holiday/Recreation	77%
Visit Friends/Relatives	14
Business and Convention	3
Other	6
Accommodations Used	
Hotel/Motel	19%
Owned or Rented House/Unit/Flat	34
Homes of Friends or Relatives	27
Other	20
Average Length of Stay (nights)	5.8
Median Age (years) <sup>2</sup>	28.4
Median Family Income <sup>3</sup>	\$33,700
Season of Visit	
January - March	28%
April - June	22
July - September	24
October - December	26

<sup>1</sup> Based on total visitor - nights.

<sup>2</sup> Calculation includes persons under age 14.

<sup>3</sup> Australian dollars.

Source: Queensland Tourist and Travel Corporation and Harrison Price Company.



breakdown of tourist visitation is unavailable, the hotel occupancy data presented in **Table 6** allows a rough indication of the probable pattern. January represents the yearly peak in tourist activity--this being the traditional family vacation month--while the start of winter in the month of June constitutes the annual low.

The size and affluence of the visitor population signal the importance of this market to the subject leisure park, especially in view of long average stay times within the overnight segment (the longer the stay, the greater the propensity to enjoy the park's offerings). The relative youth of Gold Coast tourists, meanwhile, suggests a greater preference for active, family-oriented recreation opportunities than is associated with the local resident market.

### **Aggregate Market Support**

A summary of combined market support available to Burleigh West as derived from resident and tourist sources is shown in **Table 7**. From a current level of approximately 7.6 million visits, the aggregate market will increase to almost 8.9 million by 1990 and rise to nearly 10 million by 1995. These numbers are impressive but, owing to multiple counting of the day-trip segment as previously mentioned, unfortunately tend to overstate the true magnitude of the effective market. In the context of planning for the proposed leisure park, it is therefore more meaningful to express the day-visit segment as a regional resident market (the two are essentially one and the same)--that is, the population within 80 kilometers or so of the site less the separately defined local Gold Coast market. Using 1990 as a benchmark year, the following text table presents an alternative expression of market support that is more accurate for purposes of this analysis than that contained in Table 7:

	<b>Adjusted Market Size 1990 (thousands)</b>
Local Resident Market	295
Regional Resident Market	1,300
Overnight Tourist Market	3,100
Total	4,695
Rounded to	4,700

As indicated above, translation of the day-visit market into a regional resident population reduces overall effective market size to approximately 4.7 million persons. While a certain amount of imprecision is unavoidable in studies of this nature due to limitations of the data base, this figure should represent a reasonable and conservative measurement of market support available to Burleigh West.

Table 6

**HOTEL OCCUPANCY BY MONTH IN THE  
BRISBANE-GOLD COAST AREA  
1986-1987**

<u>Month</u>	<u>Average Occupancy Rate</u>	
	<u>Brisbane</u>	<u>Gold Coast</u>
January	53.7%	79.6%
February	57.1	52.6
March	55.3	52.4
April	59.3	54.6
May	59.0	50.9
June	57.6	41.8
July	63.3	51.5
August	67.8	63.6
September	63.2	60.7
October	59.7	63.0
November	58.6	64.3
December	<u>46.5</u>	<u>55.8</u>
<b>Average Annual</b>	<b>58.4%</b>	<b>57.6%</b>

Source: Australian Bureau of Statistics.

Table 7

**SUMMARY OF MARKET SUPPORT AVAILABLE  
TO THE BURLEIGH WEST PROJECT  
1985-1995  
(thousands)**

	<b>Actual <u>1985</u></b>	<b><u>Projected</u></b>	
		<b><u>1990</u></b>	<b><u>1995</u></b>
Resident Market	219	295 <sup>1</sup>	375 <sup>1</sup>
Tourist Market			
Overnight Visitors	2,430	3,100	3,700
Day-Visitors	<u>5,000</u>	<u>5,500</u>	<u>5,900</u>
<b>Subtotal</b>	<u>7,430</u>	<u>8,600</u>	<u>9,600</u>
<b>Total</b>	7,649	8,895	9,975

<sup>1</sup> Based on forecasts by The Rider Hunt Group in Queensland Development Report, October 1987.

Source: The Rider Hunt Group and Harrison Price Company.



## INVENTORY OF COMPETITIVE ATTRACTIONS

The Gold Coast's thriving tourist industry has given impetus to development of a wide variety of recreation attractions in the area, encompassing nearly everything from multimillion-dollar theme parks to one-room museums. The paragraphs to follow describe the inventory of existing and planned attractions, focusing on the Gold Coast plus selected facilities in the Brisbane and the Sunshine Coast areas.

### Major Existing Attractions

A list of the largest and most heavily attended attractions in the Burleigh West market area is presented in **Table 8**, while **Figure 3** depicts the location of these facilities. Three attractions, as shown, garner attendance of 1 million or more--Dreamworld, Sea World, and Sunshine Plantation (also known as the "Big Pineapple" for its distinctive theme structure). The leading attendance-generator is Dreamworld, a major theme park located on a 40-hectare site in Coomera on the north edge of the Gold Coast resort district. In content and thematic treatment, Dreamworld is an amalgam of elements borrowed from Southern California's Disneyland, Knott's Berry Farm, and Six Flags Magic Mountain, including an array of thrill rides, audioanimatronic shows, steamboat lagoon, IMAX theater, marching bands and other live entertainment, and a "Main Street" shopping area, plus a sizable waterpark. An expansion project just recently completed adds a walk-through wildlife preserve. A high quality standard--the best in the area--is maintained at this park.

Located at Main Beach in the heart of the Gold Coast is Sea World, a 25-hectare project that combines marine show and exhibit facilities (whale, dolphin, and sea lion shows, water ski show, and aquarium) modeled on the Sea World attractions in the United States in tandem with a major ride park (corkscrew roller coaster, flume ride, and so on). Though the mixture of entertainment components is rather incongruous, development quality is generally very good. Sea World is currently adding a large touch pool exhibit and has plans to develop a new marine mammal pool and stadium that will enable the presentation of killer whales (the existing whale show features the much smaller false killer whales); the animal conservation movement in Australia opposes this project, however, and its implementation is uncertain.

The third attraction in the million-plus attendance category is Sunshine Plantation, situated on 70 hectares at Nambour on the Sunshine Coast of northeast Queensland. This free-admission facility consists of a train ride through a tropical agriculture plantation, a barnyard petting zoo, a restaurant, and audio-visual displays inside a giant fiberglass pineapple. Unlike Dreamworld and Sea World, Sunshine Plantation is not considered competitive to the Burleigh West project since it is well outside the Gold Coast market area; the plantation, furthermore, is currently for sale and new owners may or may not continue the visitor tour program.

The second tier of attractions in the Gold Coast region encompasses two animal preserves drawing around a half-million visits annually. Currumbin Sanctuary, located a few kilometers from Burleigh West, is primarily a bird park featuring an extensive variety of tropical birds, although it also has enclosures exhibiting kangaroos, wombats, dingoes, and other Australian fauna. While the colorful birds and physical



Table 8

**INVENTORY OF MAJOR ATTRACTIONS IN THE  
GOLD COAST-BRISBANE AREA  
1986-1987**

<u>Name of Attraction</u>	<u>Year Opened</u>	<u>Total Area (hectares)</u>	<u>Estimated Capital Value (millions)<sup>1</sup></u>	<u>Current Admission Prices<sup>1</sup></u>		<u>Annual Attendance (thousands)</u>		<u>Estimated Per Capita Revenue<sup>1</sup></u>	
				<u>Adult</u>	<u>Child</u>	<u>1986</u>	<u>1987</u>	<u>Admissions</u>	<u>All Other</u>
Dreamworld (Coomera)	1981	40	\$80 <sup>2</sup>	\$19.75	\$13.00	950	1,100	\$15.75	\$9.00
Sea World (Main Beach)	1971	25	50	19.00	13.00	826	1,000	15.50	9.50
Sunshine Plantation (Nambour) <sup>3</sup>	na	70	30	Free		1,000	na	na	na
Currumbin Sanctuary (Currumbin)	1946	24	na	9.00	5.00	400	500	na	na
Lone Pine Koala Sanctuary (Brisbane)	1927	20	na	7.00	4.00	500	na	na	na
Wet 'n' Wild-Cades County (Helensvale)	1983	8	15	11.00	9.00	175	na	na	na
Wet 'n' Wild-Amazons Place (Ipswich)	na	na	7	11.00	9.00	160	na	na	na
Koala Town (Oxenford)	na	10	12	10.50	6.00	na	200E	na	na

1

1

1 Australian dollars.

2 Major upgrading/expansion now in progress.

3 Currently for sale.

na means not available. E means estimate

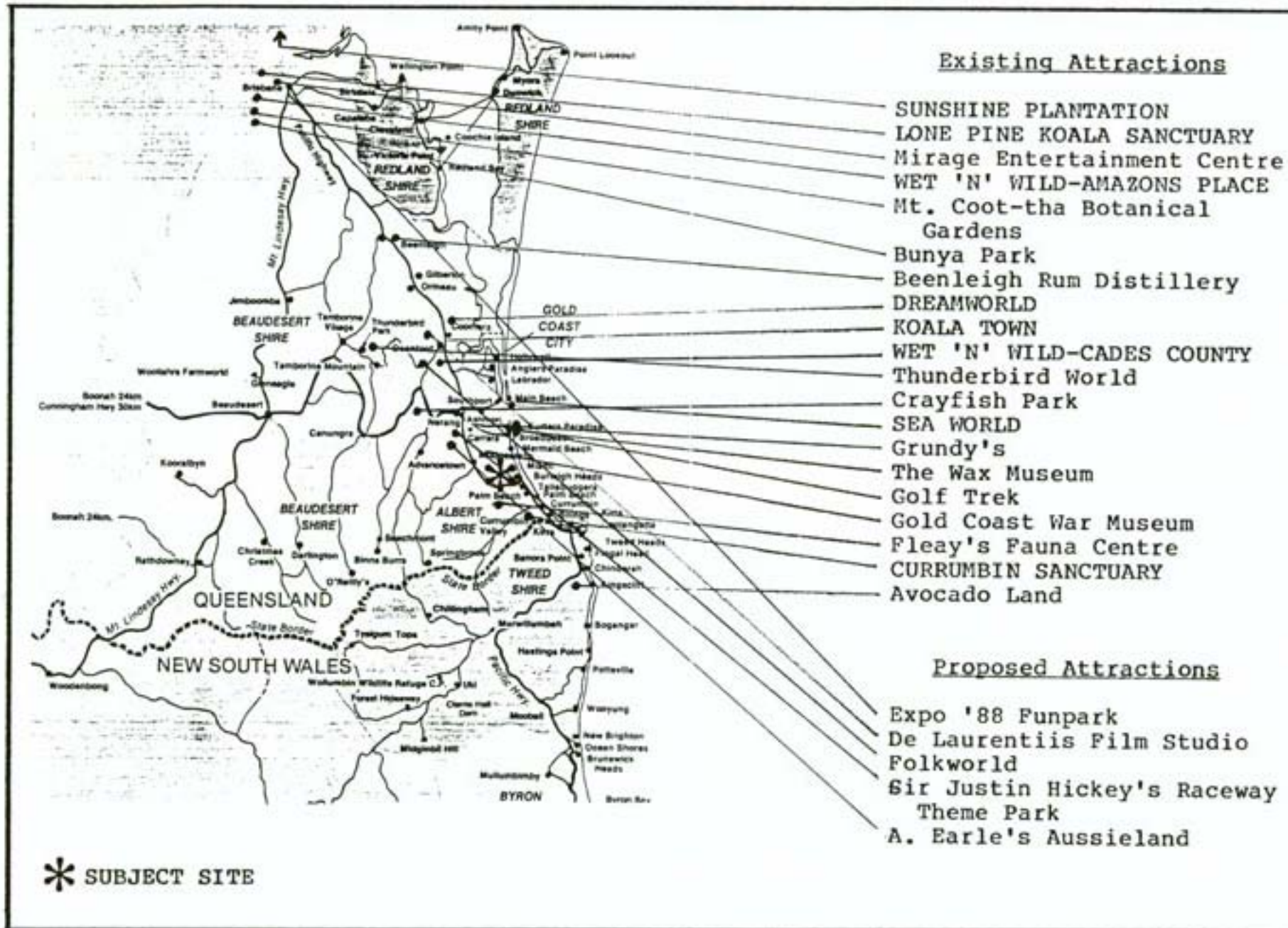


Figure 3

LOCATION OF EXISTING AND  
PROPOSED ATTRACTIONS



setting of the park are very appealing, entertainment content is thin--there are no organized shows and visitor contact with the animals is limited to the feeding of lorikeets and kangaroos. A similarly weak entertainment program is characteristic of the second major animal preserve, the venerable Lone Pine Koala Sanctuary located in a suburb of Brisbane. Australia's largest captive colony of koalas--some 100 strong--is featured at Lone Pine, together with a variety of kangaroos, emus, and platypus. Visitors may hold and have their pictures taken with koalas (the chief incentive to visit this park) and may also feed kangaroos; no other contact with the animals or informative shows about them is offered. Lone Pine is moreover in desperate need of physical upgrading--it is rundown, dirty, and nearly engulfed by rampant vegetation. Because of their limited scope and other shortcomings, neither Currumbin nor Lone Pine represents significant competition to Burleigh West.

A third tier of attractions--those drawing in the range of 150,000 to 200,000 visitors yearly--includes two waterparks and the hybrid animal preserve/horse show/model farm known as Koala Town. Koala Town and Wet 'n' Wild-Cades County are both located near Dreamworld, while Wet 'n' Wild-Amazons Place is located in the Brisbane suburb of Ipswich. Quality of the two waterparks is quite good; however, their narrow focus on the youth market for water sports places them out of competition with major recreation facilities. Koala Town's eclectic mix of activities and barely passable physical development standards negate its competitive impact. A redevelopment program is now underway at this park, which may improve its competitive posture, but these efforts appear to be underfunded and inadequate in extent.

### **Other Area Attractions**

The inventory of major parks in the Gold Coast region as just discussed is supplemented by a number of smaller attractions, listed in **Table 9**. The majority of these facilities report an attendance volume of less than 100,000 visitors per year; none is considered of sufficient scope and/or quality to be competitive with Burleigh West.

### **Planned Attractions**

In addition to the existing inventory, **Table 10** lists five other attractions that are soon to open or have been proposed for the Gold Coast region, two of which--the De Laurentiis Film Studio and the Expo 88 Funpark--represent potentially significant competition to the subject leisure park. The De Laurentiis project, situated adjacent to Wet 'n' Wild-Cades County near Dreamworld, will consist of a working studio with a visitor tour program in the mold of Universal Studios in Los Angeles, but will be centered around massive sound stages as opposed to a movie backlot as at Universal. Residual to the Expo 88 world's fair now being staged on the downtown Brisbane waterfront is a major ride park, reportedly to encompass some 18 major rides (including three roller coasters), a dark ride, several kiddie rides, and a major live show venue.

Also under construction in the general vicinity of Dreamworld is Folkworld, described as an internationally themed retail and cultural attraction with performing craftspeople--probably more of a shopping center than a recreation development. The remaining



Table 9

**OTHER ATTRACTIONS IN THE GOLD COAST-BRISBANE AREA<sup>1</sup>**  
**1987**

<u>Name of Attraction</u>	<u>Current Admission Prices<sup>2</sup></u>		<u>Description</u>
	<u>Adult</u>	<u>Child</u>	
Fleay's Fauna Center (Burleigh Heads)	\$5.00	\$2.00	Nature reserve
Thunderbird World (Mt. Tambourine)	Varies		Nature reserve, "thunderegg" fossicking, mini-golf, archery, horseback riding, swimming, grass-skiing.
Grundy's (Surfers Paradise)	Varies		Arcade, games, carnival rides, waterslide, food court.
The Wax Museum (Surfers Paradise)	na	na	Wax museum, shows.
Gold Coast War Museum (Burleigh Heads)	4.00	2.00	Military museum, shooting range, outdoor survival game.
Beenleigh Rum Distillery (Bunleigh)	3.50	1.00	Distillery tour, train ride, carousel, disco.
Golf Trek (Surfers Paradise)	na	na	Space-themed mini-golf.
Mirage Entertainment Centre (Brisbane)	Varies		Grand prix, waterslide, mini-golf, bumper boats, arcade.



Table 9  
(Continued)

<u>Name of Attraction</u>	<u>Current Admission Prices<sup>2</sup></u>		<u>Description</u>
	<u>Adult</u>	<u>Child</u>	
Avocado Land (Duran-bah)	Free		Plantation tour, fruit market, nature reserve.
Crayfish Park (Clagiraba)	\$5.00	Free	Crayfish farm tour, restaurant.
Mt. Coot-tha Botanical Gardens (Brisbane)	Free		Botanical gardens, planetarium.
Bunya Park (Brisbane)	Free		Nature reserve, picnic areas.

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<sup>1</sup> The majority of these attractions have an annual attendance volume of less than 100,000.

<sup>2</sup> Australian dollars.  
na means not available.

Source: Harrison Price Company.

Table 10

**ATTRACTIONS PROPOSED FOR THE  
GOLD COAST-BRISBANE AREA**

<u>Name of Attraction</u>	<u>Proposed Capital Value (millions)<sup>1</sup></u>	<u>Status</u>
De Laurentiis Film Studio (Helensvale)	\$55 <sup>2</sup>	Under construction
Expo 1988 Funpark (Brisbane)	\$50+	Committed
A. Earle's Ausieland (Merrimac)	20	Seeking joint venture partner
Folkworld (Oxenford)	12	Under construction
Sir Justin Hickey's Raceway Theme Park (Ashmore)	6	Uncertain

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<sup>1</sup> Australian dollars.

<sup>2</sup> Includes production facilities as well as studio tour.

Source: Harrison Price Company.



two attractions shown on the table, Aussieland and Raceway Theme Park, are of currently uncertain status and may not in fact be developed.

### Assessment of the Competitive Environment

The foregoing review of existing and planned attractions in the subject market area reveals appreciable competition for Burleigh West, which has important implications on the concept of the proposed facility and the magnitude of investment required to carve out a niche in the marketplace. Most significant is the suggestion that the market is close to saturation. To illustrate, the text table below presents a comparison of the Gold Coast market with that of two U.S. markets--Southern California and Central Florida--which have reached saturation (defined as the point at which aggregate attendance at all area attractions equals or exceeds the combined size of the local and regional resident and overnight tourist markets):

	<u>Southern California</u>	<u>Central Florida</u>	<u>Gold Coast</u>
Total Market Size (thousands)	30,000	27,000	4,700
Total Attraction Attendance (thousands)	32,000	36,000	3,900
Saturation Index	1.07	1.33	0.83

As indicated above, combined attendance at the major Gold Coast area attractions listed in Table 8 (exclusive of Sunshine Plantation) currently amounts to some 3.6 million. Adding a conservative allowance of 300,000 in total for the diversity of other attractions in the region (refer to Table 9), overall attendance volume amounts to 3.9 million. When this figure is divided by a total 1990 market size of 4.7 million, a saturation index of 0.83 results, which compares with corresponding ratios of 1.07 for Southern California and 1.33 for Central Florida. The difference between the present 0.83 ratio and the theoretical 1.00 saturation point is 800,000 visits, suggesting room for one major additional attraction on the Gold Coast. Allowing that the saturation point can be substantially exceeded (as in Central Florida), albeit in intense competition requiring the constant infusion of millions of dollars in facility reinvestment, in excess of 2 million additional leisure park visits could potentially be generated (4.7 million market size times an attraction visit ratio of 1.3, less existing aggregate attendance of 3.9 million). However, the already committed De Laurentiis and Expo 88 Funpark projects will likely absorb a major share of this more liberally estimated latent demand.

In conclusion, the competitive environment for a major new leisure park on the Gold Coast implies significant risk. To achieve an attendance volume comparable to that of

Dreamworld and Sea World, not to mention the two new attractions which may prove of similar competitive status, market share will have to be captured from these other attractions. The implications of this situation are accordingly integral to the recommendations on project concept and investment level to be set forth in the next section of this report.



## **Section 4**

### **PROJECT CONCEPT RECOMMENDATIONS**

The preceding review of the site and market environment establishes an overall perspective and context in which to develop an appropriate, economically viable concept for the Burleigh West leisure park. In this section of the report, ideas and opinions expressed by charrette participants are summarized, leading to a recommended concept and preliminary estimates of key planning parameters including attendance, physical capacity requirements, and capital investment.

#### **STRATEGY ISSUES AND BROAD CONCEPTUAL ALTERNATIVES**

Fundamental to the rationale for the recommended concept are a number of important strategy considerations relative to the competitive environment, the most important of which are enumerated subsequently. Broad conceptual alternatives for the leisure park project are then identified and critiqued on the basis of their ability to meet strategy objectives.

##### **Observations and Strategy Objectives**

The following observations and goals are integral to the conceptual planning process:

- The proposed leisure park is intended to be an outstanding, world-class attraction adhering to high standards of development quality, entertainment value, and visibility in the marketplace.
- A synergistic relationship should exist between the leisure park and the expanded regional shopping center at the site. To this end, the park concept should appeal to the wide spectrum of age and income groups, with emphasis on family-oriented activities, both active and passive. A central, "umbrella" theme should be adopted that would unify the leisure park and shopping center components. Also desirable is a strong evening entertainment content that would complement the daytime shopping experience.
- Despite rapid growth in resident and tourist populations, the Gold Coast attractions market is nevertheless approaching saturation. Greatly intensified competition is inevitable as existing and new major parks struggle to maintain market share.
- For the proposed leisure park to carve out a niche in the market, there is a great need to differentiate from competing attractions. Head-on competition in, for example, the thrill ride area is decidedly risky in view of the wide lead enjoyed by established parks.
- Major existing attractions in the region are by and large clones of major theme parks in the United States. A fresh, non-imitative approach is highly desirable



not only for purposes of differentiation, but also as a trend-setter that makes a quantum leap beyond the competition.

- Existing attractions in the area close at dusk, a factor which underscores the opportunity to develop a nighttime entertainment trade at the proposed park.
- The obvious gap in the Gold Coast inventory is a "soft" attraction--a park where heavy programming in an outstanding physical environment is used to create a recreational experience superior to the fleeting excitement of iron rides. Shows and other spectator entertainment, edifying visitor participation experiences, state-of-the-art exhibitry, and similar programming should take precedence over hardware. Such programming has the further advantage of being readily changeable at comparatively modest cost, which ensures continued refreshment of the offering that will encourage a high rate of repeat visitation.
- While a variety of entertainment experiences is necessary to ensure adequate "critical mass" that has appeal to the young and the old alike, the park should not attempt to be all things to all people. Public recognition of the park's name and image will be greatly facilitated--and its market position therefore strengthened--by the presence of a distinct central concept that avoids the hodgepodge of disconnected elements found, for example, at Koala Town as well as the abrupt juxtaposition of vastly different recreation experiences, such as found at Sea World with its eccentric mix of dolphins and roller coasters.

The above and other minor factors pertaining to the competitive environment provided the framework for subsequent concept recommendations.

### **Broad Concept Alternatives**

With the foregoing issues as a guide, charrette participants explored several alternative concepts for Burleigh West. The principal options identified are summarized below:

- **Australian Flora and Fauna Park.** The fascinating and world-renowned wildlife indigenous to Australia, in tandem with a lush landscape of native plants and flowers, would be featured in this concept alternative. In scale and quality, the intent in this instance would be an exponential transcendence over other animal parks in the region as well as Australia at large--heavy show programming and technologically sophisticated exhibitry, with liberal opportunities for visitor interaction, would be the hallmark.
- **Major Theme/Ride Park.** Another option considered was an internationally themed ride park, perhaps organized in a "Seven Continents" format. The objective here would be to respond to competition by developing a bigger and better version of existing parks. While the primary focus of the concept would be on high-profile rides and media presentations, an animal preserve and a cultural element drawing on the international theme are also envisioned.



- **Permanent World's Fair/"Mini-EPCOT."** A third alternative discussed was a moderately scaled rendition of the massive EPCOT attraction in Florida, in essence a permanent exposition showcasing the history and culture of nations around the world. Though similar to the ride park concept, this alternative would rely somewhat more on "soft" programming and have a strong educational thrust.
- **Active Sports/Children's Attraction.** A park combining a variety of active sports facilities (tennis and other racquet sports, swimming, cable water-skiing, golf, artificial snow-skiing, and so on) with a major themed children's play center was also considered. This concept would be in essence a "theme park" where athletic activities of various kinds take the place of rides.

In evaluating the broad alternatives just described, it was the consensus of charrette participants that the Australian flora and fauna concept best responds to the strategy issues set forth earlier. An attraction of this type would be unique in the market area (if not in the world), it would have a high degree of synergy with the Burleigh West shopping center, it is eminently suited to "soft" programming with extensive visitor participation, it avoids direct competition with other attractions in the area, and it offers a coherent, immediately recognizable image and identity that can be used to advantage in marketing and promotion programs.

The theme/ride park concept, on the other hand, does not offer sufficient differentiation from other area attractions, implies direct competition for ride business and, despite potential for imaginative theme treatment, is nevertheless highly imitative of comparable parks anywhere in the world. The "mini-EPCOT" alternative offers considerably more differentiation and satisfies most other key criteria, but is again a borrowed concept and, if done properly, would likely require a level of capital investment that is not commensurate with its attendance and visitor spending potential in the Gold Coast market. Finally, while the sports concept could satisfy a number of identified strategy objectives, it is considered too limited in appeal and of insufficient "critical mass" to have a major impact on the market.

## **RECOMMENDED LEISURE PARK CONCEPT**

A world-class Australian flora and fauna attraction is the unanimous recommendation of charrette participants for leisure park development at Burleigh West. The paragraphs to follow synthesize the group's recommendations as to the appropriate scope and content of this development in light of critical mass objectives, strategy issues, and other considerations. Preliminary guidelines on attendance, physical capacity requirements, and capital investment then are set forth.

### **Description of Park Content**

Several important principles are basic to the animal park concept, including: 1) the attraction should have a mix of major and minor activities or facilities that in the aggregate justify an admission price comparable to that of a theme park; 2) every effort should be made to allow direct visitor contact with the animals to the extent possible in consideration of the animals' welfare and visitor safety; and 3) emphasis should be



placed on informative shows, demonstrations, and other activities that enhance public knowledge and respect for the natural abilities of featured animals. The following suggestions are not intended to be definitive at this stage in the planning process, but rather are meant to be illustrative of the kinds of activities and facilities that would constitute an outstanding attraction of this type and deliver a high entertainment value to visitors. Recommendations include and are not necessarily limited to:

- **Great Barrier Reef Aquarium.** A spectacular re-creation of Australia's Great Barrier Reef would be the stellar attraction at the site. A large central tank would feature a variety of sharks native to Australian waters. This should be a tunneled tank enabling visitors to in effect "walk underwater" and view the animals from a number of different perspectives. Other sections of the aquarium complex would display sea snakes, rays, colorful reef fish, octopus, turtles, and other common Barrier Reef inhabitants in beautiful "seascapes" of corals, rocks, sand, and aquatic plants. A sizable touch tank where visitors can handle starfish, sea cucumbers, urchins, and so on should also be included. Shark-feeding demonstrations and other interpretive programs should be regularly scheduled, complemented by outstanding graphics conveying information about the sea life on display.
- **High-Impact Film Theater.** Another major attraction at the site would be a film theater using state-of-the-art technology. A custom-produced film of approximately 20 minutes' duration covering the natural history of Australia from aboriginal "Dreamtime" to the present would be screened in this theater. Showscan and IMAX 3-D are among possible film formats.
- **Major Show Venues.** Two major outdoor arenas are suggested as core entertainment facilities at the site, each with distinctive theming and overhead protection from sun and rain. The first of these arenas would be used for animal shows. Since relatively few animals indigenous to Australia are suitable for this purpose, it is envisioned that the park would expand its concept somewhat to encompass such Asian and African exotics as elephants, chimpanzees, orangutans, tigers, and lions. Certain bird shows could be staged here as well, such as the spectacular acrobatics of birds-of-prey. The second major show venue would be more of a general-purpose amphitheater enabling moderately sized concerts and selected touring attractions (folkloric troupes, Chinese acrobats, and the like).
- **Ecology Theater.** A smaller outdoor show venue would provide a more intimate environment for informative programs about Australian animals. A first-rate bird show featuring cockatoos, lorikeets, and other Australian birds is envisioned, together with other programs presenting kangaroos, koalas, and so on.
- **Rainforest Pavilion/Tropical Bird Exhibit.** A walk-through rainforest pavilion recreating the north Queensland tropics is also recommended. This heavily themed and dramatically landscaped structure might be a geodesic dome equipped to produce "rainshowers" every hour or so in simulation of the natural environment. A multitude of colorful, vocal tropical birds would inhabit the rainforest.



- **Natural History Pavilion.** Another major pavilion at the site would be devoted to the natural history of Australia, focusing on Queensland, and would feature collections of artifacts, dioramas, historical documents and photographs, antiques, and other Australianana. Sophisticated exhibitry would maximize potential for visitor interaction.
- **Koala Habitat.** Australia's most beloved animal would be featured in a special exhibit of its own, probably in an indoor/outdoor configuration that would allow viewing from different perspectives. The indoor section would be equipped with low-intensity lighting suggesting a moonlit evening to enable observation of the koalas' nocturnal habits, while the outdoor section is envisioned as a gum tree forest representative of typical natural habitat. Some form of visitor interaction with the animals should be provided.
- **Kangaroo Exhibit.** Another large habitat area would be created for the numerous species of kangaroos found in Australia. Most of these animals would be free-ranging within the compound, and there would be opportunities for visitor contact and feeding.
- **Aviaries/Free-Flight Cage.** A major section of the park would be comprised of an aviary complex including a walk-through free-flight cage. Many species of interesting and colorful birds would be displayed in a beautifully landscaped setting.
- **Platypus Exhibit.** Still another major exhibit would be devoted to the unusual duck-billed platypus. This habitat would enable underwater viewing of the animals in dim lighting conditions simulating the nocturnal world of the platypus.
- **Butterfly House.** Australia's astonishing variety of butterflies and moths would be displayed in a free-flight enclosure. The habitat would be climate-controlled and self-sustaining, with food sources and vegetation provided so that the entire life cycle of the insects can be observed by park visitors.
- **Other Animal Habitats.** Various other Australian fauna--including wombats, fairy penguins, crocodiles, frilled lizards and goanas, waterfowl, emus, dingoes, Tasmanian devils, echidnas, and others would be displayed in realistic habitats.
- **Animal Care Facilities.** Though mainly necessary as an essential support function at the park, certain animal care facilities have high visitor-interest potential and would logically be open to the public as part of the visitor experience. The animal hospital, baby animal nursery, and selected animal food preparation areas would be among these "attractions." In addition, routine feeding of animals throughout the park should be accomplished in view of, and perhaps assisted by, visitors wherever possible.
- **Children's Play Center/Model Sheep Station.** A heavily themed play center containing an imaginative assortment of play apparatus for energetic youngsters is also recommended for the park. This play area would adjoin a



children's petting zoo that would be a miniature replica of a typical outback sheep station. As many interactive, participatory experiences as is possible should be offered. Elephant and pony rides might also be included.

- **Internal Monorail.** A monorail system linking the shopping center at Burleigh West with the proposed leisure park and passing over some of the animal compounds is highly desirable. The monorail would increase the synergism between shopping and recreation components of the overall project, provide convenient internal transportation, and function as an attraction in its own right. There is the possibility, furthermore, that the internal monorail could ultimately be joined to an external monorail system currently under study for the main Gold Coast traffic corridor.
- **Restaurants/Nighttime Entertainment.** Rounding out the list of illustrative park components would be two or three themed "atmosphere" restaurants that would enhance nighttime entertainment content. A wealth of theming opportunities is available--one suggestion might be a rustic log building placed on stilts on the fringe of the koala/gum tree forest, another might be an indoor/outdoor beer garden situated on the crocodile lagoon, yet another could simulate the underground world of an opal mine, while another might be a combination restaurant and wine tasting parlor featuring the Australian product. Whatever the specific theming, the goal should be high-quality food in a festive, unique environment. For reasons of visitor safety and the security of the animals, most of the animal exhibits at the park would likely close at dusk; it is thus necessary to make design provision for public access to the restaurants after dark.

A final recommendation for the leisure park operation is that it establish a professional relationship with an appropriate scientific agency in the zoological field, such as a major university or nonprofit foundation. Though the main objective is entertainment, development of an animal park carries with it two important ancillary obligations: 1) to convey knowledge about and encourage public appreciation for the natural world; and 2) to further the cause of conservation and research. Fulfillment of both of these obligations will be greatly facilitated by working in cooperation with independent authorities in such areas as breeding, animal health and nutrition, and behavioral studies.

### **Attendance Potential and Capacity Requirements**

A flora and fauna park of the general scope and magnitude just described will be capable of having a major impact on the Gold Coast attractions market. The area's two present leaders in attendance--Dreamworld and Sea World--each attract roughly 1 million visitors annually, which is equivalent to a gross capture rate in excess of 20 percent of the combined resident (local and regional) and tourist market. The scope and assumed high quality of the proposed attraction should be able to achieve a penetration rate at least this great and could substantially exceed comparable experience with a truly spectacular product. The upside of the market capture range might therefore be as much as the 40 percent achieved by the preeminent Disney parks in the United States. Total attendance at the Burleigh West animal park based on a market penetration rate between 20 and 40 percent is shown below:



Total Market Size (000)	4,700
Gross Market Penetration Rate	20-40%
Total Annual Attendance (000)	1,000-1,800

As indicated, annual visitation would amount to a minimum of 1 million and could reach a maximum of 1.8 million under a "best case" scenario. The mid-range figure of approximately 1.4 million is considered to represent a reasonable expectation given competitive conditions in the Gold Coast marketplace.

**Table 11** translates alternative attendance volumes into overall physical capacity requirements for the park. The mid-range estimate of 1.4 million visitors, as shown, implies a "design day" attendance (the average of the 10 to 20 highest days of the year) of some 10,000 people. The proposed concept is geared to an average visitor length of stay at the park on the order of five to six hours; on this basis, the peak in-grounds crowd (the number of people on-site at the busiest hour of the day) will probably amount to about 65 percent of the design day total, or 6,600 persons.

Entertainment capacity--that is, the aggregate holding capacity of all shows, exhibits, and other entertainment activities--should be targeted at roughly 1.5 units per hour (meaning that each visitor would on average enjoy one and one-half different entertainment experiences for each hour he or she spends at the site). On this basis, an overall total of approximately 10,000 hourly units of entertainment will be required, which represents the design parameter governing the sizing of show arenas and theaters, exhibits, and other programs at the site.

### Financial Planning Guidelines

Existing major attractions in the Gold Coast area attained total gross revenue of about A\$25 per visitor during 1986 (refer to Table 8), including park admission, food and beverages, and merchandise. Allowing for inflation since then, these parks are probably now generating something in the neighborhood of A\$27 or A\$28 per capita. Using the latter as a minimum and assuming that the presence of high-profile restaurants and unique merchandise outlets at the site will tend to increase visitor propensity to spend on food and souvenirs, the upper end of the per capita spending range at Burleigh West may be as much as A\$34 or A\$35 in constant 1988 dollars. The following text table presents total gross revenue thus achievable at alternative attendance volumes:

	Annual Attendance (thousands)		
	<u>1,000</u>	<u>1,400</u>	<u>1,800</u>
Average Per Capita Expenditure	A\$27-34		
Total Gross Revenue (millions)	A\$25-30	A\$38-48	A\$45-54



Table 11

**DESIGN DAY PLANNING CRITERIA  
AT ALTERNATIVE ATTENDANCE LEVELS**

	<u>Attendance Level</u>		
	<u>Low</u>	<u>Mid-Range</u>	<u>High</u>
Total Annual Attendance	1,000,000	1,400,000	1,800,000
Peak Month Attendance (at 16 percent)	160,000	224,000	288,000
Average Peak Weekly Attendance (at 4.43 weeks)	36,100	50,600	65,000
Design Day Attendance (at 20 percent of peak week)	7,200	10,100	13,000
Peak On-Site Crowd (at 65 percent of design day)	4,700	6,600	8,500
Entertainment Capacity Required (at 1.5 hourly units per peak-hour visitor)	7,000	9,900	12,700
Rounded to	7,000	10,000	13,000

Source: Harrison Price Company.

For the benchmark attendance volume of 1.4 million, a total gross revenue potential of between A\$38 and A\$48 million is indicated. In projects of this type, total operating expenses equivalent to between 70 and 80 percent of gross revenue may be anticipated, at least once stabilization of operations has been reached, leaving a residual net operating profit (earnings before depreciation, interest, and taxes--expressed by the acronym EBDIT) of 20 to 30 percent of gross revenue. For the proposed leisure park to be profitable and capable of retiring debt, the ratio of EBDIT to total capital investment should be about 12 percent. In the text table below, supportable investment is indicated based on varying EBDIT generation at the 1.4 million attendance level:

	<b>Net Operating Profit (millions)</b>	<b>Supportable Investment (millions)</b>
20% EBDIT	A\$ 7.5- 9.5	A\$63- 80
25% EBDIT	9.5-12.0	79-100
30% EBDIT	11.5-14.0	95-120

Again selecting the mid-range figure as a reasonable planning target, the appropriate level of investment for the Burleigh West leisure park is some A\$80 to A\$100 million. **Table 12** shows a rough, preliminary breakdown of this budget based on land and site preparation cost estimates supplied by the client and allocations for other major cost categories as estimated by charrette participants. Explanatory comments include the following:

- Parking costs are based on an estimated requirement of 2,000 spaces including employee parking and bus spaces.
- So-called "soft" costs encompass interim financing equivalent to an estimated 12 percent of the total budget less land, site improvements, and parking.
- Architectural and engineering services are estimated at 10 percent of the total budget less land, site improvements, and parking.
- A modest contingency factor of 3 percent of the total budget less land, site improvements, and parking has been estimated, allowing that built-in contingencies are included in allowances for other items.
- The estimated cost of food/beverage facilities (including major themed restaurants as well as fast food stands and carts) and merchandise facilities is based on approximately 3,700 square meters (40,000 square feet) of area at an average development cost of A\$2,200 per square meter (A\$200 per square foot), or A\$8 million in total. Another A\$2 million has been added for essential support facilities including entrance complex, restrooms, administrative offices, storage, and maintenance buildings.



Table 12

**PRELIMINARY CAPITAL INVESTMENT BREAKDOWN  
FOR THE BURLEIGH WEST LEISURE PARK**

	Investment Alternative (Millions) <sup>1</sup>		
	<u>Low</u>	<u>Mid-Range</u>	<u>High</u>
Land	\$7	\$7	\$7
Site Improvements	5	5	5
Parking (2,000 spaces)	<u>2</u>	<u>2</u>	<u>2</u>
<b>Subtotal</b>	\$14	\$14	\$14
Soft Costs <sup>2</sup>	<u>16</u>	<u>21</u>	<u>26</u>
<b>Total</b>	\$30	\$35	\$40
Attractions and Facilities			
Show Venues, Exhibits, Other Attractions	\$35	\$50	\$65
Food/Beverage, Merchandise, Support Facilities <sup>3</sup>	10	10	10
Landscaping, Water Features, Decorative Embellishments	<u>5</u>	<u>5</u>	<u>5</u>
<b>Subtotal</b>	<u>\$50</u>	<u>\$65</u>	<u>\$80</u>
<b>Grand Total</b>	\$80	\$100	\$120

<sup>1</sup> In constant 1988 Australian dollars.

<sup>2</sup> At 25 percent of total budget less land, site improvements, and parking (includes interim financing, architectural and engineering fees, and a small contingency).

<sup>3</sup> Includes entrance complex, restrooms, administrative offices, storage, and maintenance facilities.

Source: Mainsel Investments Pty. Ltd., and Harrison Price Company.



The table shows that after allocations for various other costs, the net budget remaining for the core entertainment facilities at the park amounts to roughly A\$50 million at the mid-range investment level of A\$100 million. A preliminary breakdown of this attractions budget is contained in **Table 13**. It is reiterated that precise park content is subject to substantive change and refinement--while there is a minimum investment associated with each item, any one individual component can be "fine-tuned" to a greater or lesser degree of elaboration and sophistication as deemed necessary in the context of the overall design scheme; the allocations shown should thus be regarded as illustrative only.

The aggregate budget for all animal exhibits, as indicated, amounts to roughly A\$25 million, while the four principal show venues entail a budget of nearly A\$9 million. Added to this is about A\$9.5 million for the natural history pavilion, themed children's play center/petting zoo, and monorail, for an overall entertainment facility total of A\$43 million. Added to this is an allowance of A\$2 million for graphics, signage, internal walkways, perimeter fencing, and other miscellaneous items supporting the above exhibitry, along with A\$5 million in pre-opening costs (administrative salaries, accounting and legal services, real estate commissions, temporary office lease fees, and grand opening advertising and promotion programs) and contingency.

### **Summary Comments**

In the context of an appropriate capital investment level, a minority position discussed during the charrette was a project of significantly larger scale than the optimum concept recommended here. This expanded concept would retain the animal dimension, but involve substantially augmented content and theming, perhaps including certain rides and EPCOT-like attractions. A minimum investment of A\$120 million and appreciably greater risk would be associated with a park of this scale, the chief rationale for which would be to preempt area competition from matching the Burleigh West project in future expansion programs. The charrette group recommends against this more aggressive approach to leisure park development in light of the realities of the Gold Coast marketplace, and suggests instead a carefully phased program of future park enlargement and reinvestment that would insure sustained leadership in the regional market.

The potential to develop an outstanding animal-oriented attraction on the Gold Coast, taking full advantage of the color, wonder, touch, and other sensory experiences intrinsic to Australia's unique flora and fauna is an exciting proposition. The environmental branch of the United Nations recently ranked Australia and the Great Barrier Reef second world-wide in the ecological significance of its native wildlife (behind East Africa and ahead of the Galapagos Islands), which is a solid testimony to the value of a unique national treasure. An attraction capitalizing on this intrinsic resource in a manner that has been up to now beyond the imagination and financial capabilities of leisure park developers appears to be timely, if not visionary. The fact that an attraction of this type can be accomplished in an economically viable framework which avoids direct confrontation with existing attractions in the region should not be underestimated--other park concepts might prove successful, albeit at manifold risk, but it is the consensus opinion of the charrette group that a high-quality animal park represents the optimum development opportunity for Burleigh West.



Table 13

**ILLUSTRATIVE BUDGET ALLOCATIONS FOR  
ENTERTAINMENT AND EXHIBIT ATTRACTIONS AT  
THE BURLEIGH WEST LEISURE PARK**

	Budget Allocation (millions) <sup>1</sup>
<b>Animal Exhibits</b>	
Barrier Reef Aquarium	\$15.0
Koala Habitat	2.5
Rainforest Pavilion/Tropical Bird Exhibit	2.0
Animal Care Facilities	1.5
Aviaries/Free-Flight Cage	1.0
Fairy Penguin Exhibit	0.5
Platypus Habitat	0.5
Butterfly House	0.5
Reptile House/Crocodile Lagoon	0.3
Kangaroo Exhibits	0.3
Waterfowl Lagoon	0.1
Miscellaneous Animal Habitats	<u>0.5</u>
<b>Subtotal</b>	<b>\$24.7<sup>2</sup></b>
<b>Show Facilities</b>	
High-Impact Film Theater (500 seats)	\$6.0 <sup>3</sup>
General Purpose Amphitheater (2,500 seats)	1.5
Animal Show Arena (2,500 seats)	1.0
Ecology Theater (800 seats)	<u>0.3</u>
<b>Subtotal</b>	<b>\$8.8</b>
<b>Other Attractions</b>	
Internal Monorail	\$5.0
Natural History Pavilion	3.0
Themed Children's Play Center/Model Sheep Station	<u>1.5</u>
<b>Subtotal</b>	<b>\$9.5</b>
Graphics, Signage, Internal Walkway, Perimeter Fencing	\$2.0
Pre-Opening Costs and Contingency	<u>5.0</u>
<b>Total</b>	<b>\$50.0</b>

<sup>1</sup> In constant 1988 Australian dollars; based on mid-range total capital investment of \$100 million.

<sup>2</sup> Includes allowances for barns, holding pens, and sleeping quarters for animals as applicable.

<sup>3</sup> Includes cost of custom film production.

Source: Harrison Price Company.